

PROJECT SELECTION PROCESS OVERVIEW

OVERVIEW

- Competitively allocates budget authority appropriated for the WIFIA program to projects that will be invited to apply.
- Based on statutory and regulatory criteria as well as the notice of funding availability.
- Process includes three phases: (1) eligibility screening, (2) letter of interest evaluation and scoring, and (3) project selection by WIFIA Selection Committee.

ELIGIBILITY SCREENING

- Ensures that projects meet minimum statutory eligibility requirements such as the project cost, the percentage of WIFIA funding, and the type of project and borrower.
- Conducted by WIFIA staff with assistance from the headquarters State Revolving Fund (SRF) program staff within the Office of Wastewater Management (OWM) and Office of Ground Water and Drinking Water (OGWDW) as well as the Office of General Counsel (OGC).
- Four projects were eliminated from further consideration due to ineligibility.

LETTER OF INTEREST EVALUATION AND SCORING

- Ensures that the project is feasible based on a preliminary creditworthiness and engineering review and that it is aligned with statutory and regulatory selection criteria.
- Review conducted by three teams: credit, engineering, and a technical review panel.
- The assessment from each team produced information to evaluate projects based on a formal decision rubric that includes primary and secondary selection elements.
 - Primary elements: selection criteria score, engineering feasibility, creditworthiness, and consumption of budget authority.
 - Secondary elements: geographic diversity, project type diversity, readiness to proceed, loan volume cap, and whether the project serves a small community.
- Projects were ranked from highest to lowest score in each of the first three primary elements.
- Projects that scored either weak or deficient in credit or engineering were not recommended for consideration to the selection committee.
- WIFIA staff generated a final overall project ranking list, based on the strongest primary and secondary elements.

PROJECT SELECTION BY SELECTION COMMITTEE

- Ensures that most meritorious projects are invited to submit an application and mirrors competitive grant program procedures.
- The WIFIA Selection Committee is composed of the Directors of OWM and OGWDW, and the career Deputy Assistant Administrator for OW.
- The WIFIA Selection Committee was unanimous in its decision to invite the first twelve projects from the overall project ranking list to submit invitations to apply.



The WIFIA program accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. The WIFIA program was established by the Water Infrastructure Finance and Innovation Act of 2014.

ELIGIBILITY

Eligible borrowers

- Local, state, tribal, and federal government entities
- Partnerships and joint ventures
- Corporations and trusts
- Clean Water and Drinking Water State Revolving Fund (SRF) programs

WIFIA can fund development and implementation activities for eligible projects

- Wastewater conveyance and treatment projects
- Drinking water treatment and distribution projects
- Enhanced energy efficiency projects at drinking water and wastewater facilities
- Desalination, aquifer recharge, and water recycling projects
- Acquisition of property if it is integral to the project or will mitigate the environmental impact of a project
- A combination of eligible projects secured by a common security pledge or submitted under one application by an SRF program

FUNDING AVAILABILITY

EPA announces WIFIA funding availability and application process details in the Federal Register and on its website.

IMPORTANT PROGRAM FEATURES



Minimum project size for large communities.



Minimum project size for small communities (population of 25,000 or less).



Maximum portion of eligible project costs that WIFIA can fund.



Maximum final maturity date from substantial completion.



Maximum time that repayment may be deferred after substantial completion of the project.



Interest rate will be equal or greater to the US Treasury rate of a similar maturity.



Projects must be creditworthy.



NEPA, Davis-Bacon, American Iron and Steel, and all federal cross-cutter provisions apply.



STAY IN TOUCH



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To sign-up for announcements about the WIFIA program, visit <https://public.govdelivery.com/accounts/USAEPaOW/subscriber/new> and select "Finance and Funding."

WIFIA PROJECT SELECTION RECOMMENDATIONS

Deliberative Process / Ex. 5

RECOMMENDED PROJECTS:

7-17-2017

Deliberative Process / Ex. 5

DRAFT PROFESSIONAL

Deliberative Process / Ex. 5

DRAFT PREDECISIONAL

Deliberative Process / Ex. 5

DRAFT PREDECISIONAL

Deliberative Process / Ex. 5



WIFIA

P R O G R A M

PROJECT SELECTION

JULY 10, 2017



SELECTION OF WIFIA LETTERS OF INTEREST

12 projects have been selected to submit applications in response to WIFIA's first funding round.

Selected projects include:

- 1 small community
- drinking water and wastewater systems
- stormwater mitigation projects
- water recycling projects

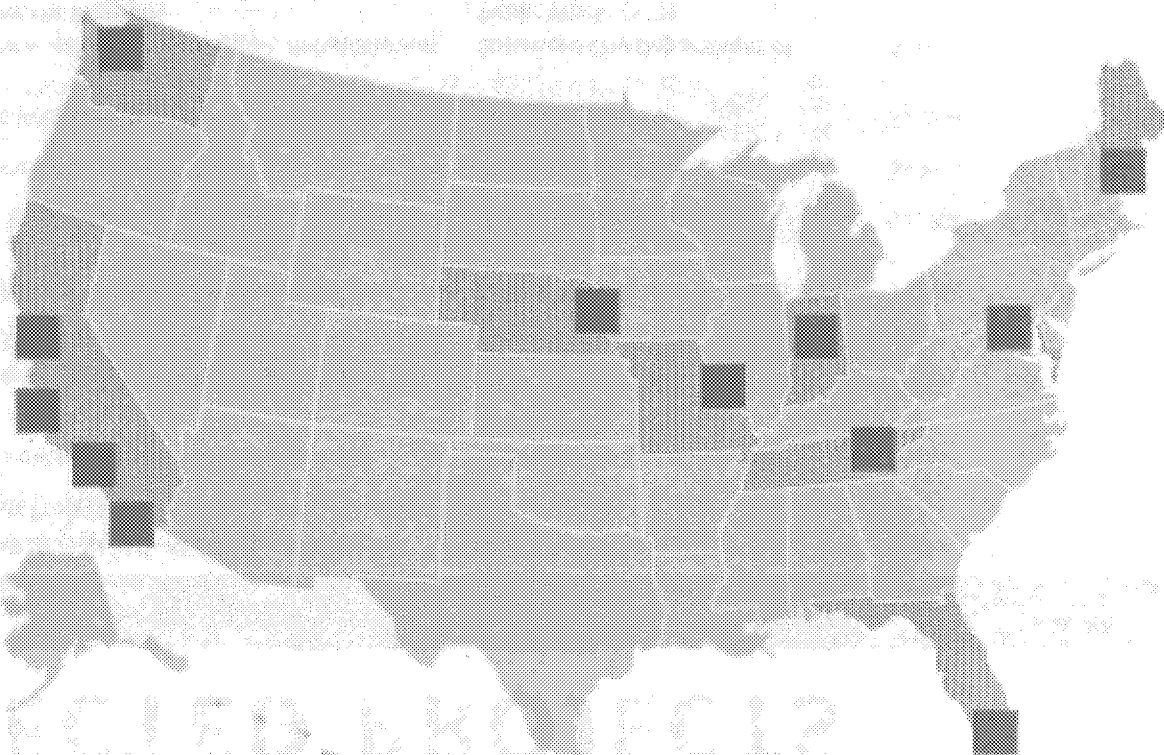
We hope to send notifications to invitees by July 10th.



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SELECTION DIVERSITY

12 Projects | 9 States | 7 EPA Regions | \$1B in expected SRF Co-Lending
\$2.3B in WIFIA Loans | \$5.1B Total Project Costs | 22M Residents Served
\$1.2B in private equity investment



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SELECTED PROJECTS

Project Name	Borrower	Loan Amount
Ocean Outfall Discharge Reduction and Resiliency Enhancement Project	Miami-Dade County (FL)	\$79M
Deer Creek Sanitary Tunnel and Sanitary Relief	Metropolitan St. Louis Sewer District (MO)	\$43M
Saddle Creek Combined Sewer Overflow Retention Treatment Basin	City of Omaha (NE)	\$55M
Groundwater Replenishment System Final Expansion	Orange County Water District (CA)	\$124M
Pure Water San Diego	City of San Diego (CA)	\$492M
Indiana Finance Authority FY 2017	Indiana Finance Authority (IN)	\$436M
Georgetown Wet Weather Treatment Station	King County (WA)	\$129M
Comprehensive Infrastructure Repair, Rehabilitation and Replacement Program	Baltimore City Department of Public Works (MD)	\$200M
Saco River Water Treatment Facility	Maine Water Company (ME) (Private)	\$25M
Water Treatment Plant Design and Construction	City of Oak Ridge (TN)	\$22M
Water Reclamation Facility Project	City of Morro Bay (CA) (Small Community)	\$82M
Southeast Water Pollution Control Plant Biosolids Digester Facilities Project	San Francisco Public Utilities Commission (CA)	\$625M



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PROCESS OVERVIEW

The WIFIA loan application and approval process consists of three phases: Project Selection, Project Approval, and Documentation and Closing.

Project Selection

- Notice of Funding Availability (NOFA)
- Letter of Interest (LOI) submission
- Letter of Interest evaluation
- Invitation to apply

Project Approval

- Application submission
- Application evaluation
- Term sheet
- Application approval

Documentation and Closing

- Documentation & finalization of terms
- Credit agreement execution



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SELECTION PROCESS

A formal rubric, based on statutory and regulatory criteria, guide reviews and decisions. This mirrors the process for selection of competitive grants.

The Selection Committee members reflect the highest level of technical experience within OW for the relevant eligible categories of projects.

Decisions are based on primary selection elements, with consideration given to secondary selection elements.

Primary Selection Elements

- Selection Criteria Score
- Use of Budget Authority
- Credit Score
- Engineering Feasibility

Secondary Selection Elements

- Use of Loan Volume Cap
- Project Diversity
- Geographic Diversity
- Readiness to Close
- Services a small community



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WIFIA SELECTION TIMELINE

On January 10, EPA issued a Notice of Funding Availability soliciting letters of interest (LOIs) from prospective borrowers.

Activity	Date
LOIs Received	April 10 th
Staff Evaluation	April 11 th – June 15 th
Selection Committee Pre-Briefing	June 16 th
Selection Meeting and Selection Committee Decision	June 23 rd
Notification to Prospective Borrowers	July 10 th
Public Announcements	Mid-July

OW staff have been reviewing LOIs with a goal of inviting projects to apply within 90 days.



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NEXT STEPS

After receiving notification of the invitation to apply, prospective borrowers will submit an application.

The creditworthiness review of an application conducted by the WIFIA office will be tailored to reflect the transaction's relative risk to the Government.

Once evaluated by the WIFIA office, the projects will be presented to the Administrator for approval of loan terms.

Based on the readiness of the LOIs received so far, it is possible that a WIFIA loan could be presented for approval in the 1st Quarter of 2018.



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